

**CITY OF PLYMOUTH  
Wayne County, Michigan**

**AUDITED FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2017**



CITY OF PLYMOUTH  
For the Year Ended June 30, 2017

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For the Year Ended June 30, 2017

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FINANCIAL SECTION





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### Independent Auditor's Report

November 27, 2017

To the Honorable Mayor and  
Members of the City Commission  
City of Plymouth, Michigan

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plymouth, Michigan, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Honorable Mayor and  
Members of the City Commission  
City of Plymouth, Michigan

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Plymouth, Michigan, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

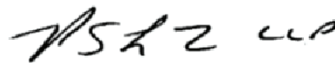
*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the defined benefit pension plan trend information, and the budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Plymouth, Michigan's basic financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling information directly to underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully,



PSLZ LLP  
Certified Public Accountants  
Plymouth, Michigan





# City of Plymouth

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## Management's Discussion and Analysis

As management of the City of Plymouth, we offer readers of the City of Plymouth's financial statements this narrative overview and analysis of the financial activities of the City of Plymouth for the fiscal year ended June 30, 2017.

### **Financial Highlights**

- The assets of the City of Plymouth exceeded its liabilities at the close of the most recent fiscal year by \$25,919,447 (*net position*).
- As of the close of the current fiscal year, the City of Plymouth's governmental funds reported combined ending fund balances of \$6,185,086, a decrease of \$766,927 in comparison with the prior year. Approximately 21% of this total amount, \$1,277,239 is *available for spending* at the government's discretion (*uncommitted fund balance*).
- At the end of the current fiscal year, combined fund balance for the general fund and budget stabilization fund was \$1,943,595, a decrease of \$2,282 over the prior year, and approximately 25% of total general fund expenditures.
- The City of Plymouth's total long-term debt decreased \$1,569,497 during the fiscal year, which represents the issuance of new debt of \$405,471 for a new fire truck less annual debt service payments. In addition, OPEB liabilities increased by \$423,768, and Net Pension Liability decreased \$780,995.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Plymouth's basic financial statements. The City of Plymouth's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Plymouth's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Plymouth's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Plymouth is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Plymouth that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Plymouth include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City of Plymouth include a water and sewer system.

The government-wide financial statements include not only the City of Plymouth itself (known as the *primary government*), but also a legally separate Downtown Development Authority, and other "non major" component units for which the City of Plymouth is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 12-14 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Plymouth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Plymouth can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Plymouth maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is the only governmental major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Plymouth adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund on page 56 to demonstrate compliance with this budget.

**Proprietary funds.** The City of Plymouth maintains a single proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Plymouth uses an enterprise fund to account for its water and sewer activity.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Plymouth's various functions. The City of Plymouth uses an internal service fund to account for its fleet of vehicles, and other equipment. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Plymouth's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 21 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-52 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Plymouth's progress in funding its obligation to provide pension benefits to its employees. This information can be found on pages 53 - 54 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 56-66 of this report.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Plymouth, assets exceeded liabilities by \$25,919,447 at the close of the most recent fiscal year.

By far the largest portion of the City of Plymouth's net position (89%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Plymouth used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Plymouth's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Plymouth's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 7,855,090	\$ 8,786,228	\$ 7,176,978	\$ 6,814,307	\$ 15,032,068	\$ 15,600,535
Capital Assets	23,000,341	22,774,748	11,168,450	11,532,038	34,168,791	34,306,786
Total Assets	<u>30,855,431</u>	<u>31,560,976</u>	<u>18,345,428</u>	<u>18,346,345</u>	<u>49,200,859</u>	<u>49,907,321</u>
Deferred Outflows	<u>1,136,560</u>	<u>1,300,260</u>	<u>54,247</u>	<u>63,607</u>	<u>1,190,807</u>	<u>1,363,867</u>
Long-term liabilities	19,830,871	21,274,792	2,550,000	2,965,000	22,380,871	24,239,792
Other liabilities	1,414,073	1,627,522	478,595	350,649	1,892,668	1,978,171
Total Liabilities	<u>21,244,944</u>	<u>22,902,314</u>	<u>3,028,595</u>	<u>3,315,649</u>	<u>24,273,539</u>	<u>26,217,963</u>
Deferred Inflows	<u>-</u>	<u>-</u>	<u>198,680</u>	<u>223,515</u>	<u>198,680</u>	<u>223,515</u>
Net Position:						
Net Investment						
in capital assets	14,614,870	13,279,780	8,474,017	8,407,130	23,088,887	21,686,910
Restricted	4,082,352	4,846,996	936,820	891,011	5,019,172	5,738,007
Unrestricted (Deficit)	<u>(7,950,175)</u>	<u>(8,167,854)</u>	<u>5,761,563</u>	<u>5,572,647</u>	<u>(2,188,612)</u>	<u>(2,595,207)</u>
Total Net Position	<u>\$ 10,747,047</u>	<u>\$ 9,958,922</u>	<u>\$ 15,172,400</u>	<u>\$ 14,870,788</u>	<u>\$ 25,919,447</u>	<u>\$ 24,829,710</u>

An additional portion of the City of Plymouth's net position \$5,019,172 represents resources that are subject to external restrictions on how they may be used.

The City's net position increased by \$1,089,737 during the current fiscal year as discussed below and on the following pages.



	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Program Revenues:						
Charges for Services	\$ 3,596,510	\$ 3,562,406	\$ 4,101,995	\$ 3,903,433	\$ 7,698,505	\$ 7,465,839
Operating Grants & Contrib.	783,398	780,197	-	-	783,398	780,197
Capital Grants & Contrib.	32,850	91,149	359,969	-	392,819	91,149
General Revenues:						
Property Taxes	7,396,431	7,103,423	-	-	7,396,431	7,103,423
State Shared Revenues	850,800	810,982	-	-	850,800	810,982
Franchise Fees	252,916	248,690	-	-	252,916	248,690
Investment Earnings	1,773	1,244	-	-	1,773	1,244
Gain(Loss) on Sale of Assets	-	-	(87,843)	-	(87,843)	-
Transfers	18,430	18,420	(18,430)	(18,420)	-	-
Transfers-Component Unit	233,000	230,284	-	-	233,000	230,284
<b>Total Revenues</b>	<b>13,166,108</b>	<b>12,846,795</b>	<b>4,355,691</b>	<b>3,885,013</b>	<b>17,521,799</b>	<b>16,731,808</b>
Program Expenses:						
General Government	1,584,510	1,793,932	-	-	1,584,510	1,793,932
Public Safety	5,474,234	6,043,146	-	-	5,474,234	6,043,146
Public Works	3,423,324	3,427,265	-	-	3,423,324	3,427,265
Recreation and Cultural	1,418,857	1,486,871	-	-	1,418,857	1,486,871
Other	196,605	181,002	-	-	196,605	181,002
Interest on Long-Term Debt	280,453	305,406	-	-	280,453	305,406
Water and Sewer	-	-	4,054,079	3,598,503	4,054,079	3,598,503
<b>Total Expenses</b>	<b>12,377,983</b>	<b>13,237,622</b>	<b>4,054,079</b>	<b>3,598,503</b>	<b>16,432,062</b>	<b>16,836,125</b>
<b>Change in Net Position</b>	<b>\$ 788,125</b>	<b>\$ (390,827)</b>	<b>\$ 301,612</b>	<b>\$ 286,510</b>	<b>\$ 1,089,737</b>	<b>\$ (104,317)</b>

**Governmental activities.** Governmental activities increased the City of Plymouth's net position by \$788,125. Key elements of this increase are as follows:

- Revenues for the 2016-17 fiscal year increased by only \$319,313 while expenditures decreased significantly by \$ 859,639. Most of the higher revenue is related to an increase in taxes of \$293,008 and, of that amount, 80% is the result of re-adopting the property tax administration fee for the first time in more than 30 years. Despite the highest increase in state equalized valuation for fiscal year 2016-17 the actual property tax levy increase was only \$ 23,143 due primarily to the operation of the Headlee amendment to the state constitution and the passage of Proposal A in 1994. The large decrease in expenses is related mostly to the reduction of \$ 780,995 in net defined benefit pension due to the cumulative effect of prior year contributions in excess of those required by MERS as well as greatly improved net investment income for fiscal year 2016-17. Other expense reductions relate to eliminations of large single year expenses such as the settlement payment of four years of OPEB healthcare liabilities for calendar years 2012 through 2015 amounting to slightly more than \$365,000 and a similar smaller reduction related to payment of expenses for the dispatch contract with Plymouth Township.
- New actuarial information as of December 31, 2016, for the City's defined benefit pension plan shows a reduction of \$ 780,995 in unfunded pension liability despite no supplemental payments to MERS exceeding required contributions. In addition, the City has experienced a \$423,768 increase in OPEB healthcare liability for that portion of the increasing legacy costs. These costs are expected to continue escalating for at least the next decade before eventually declining after that time.

**Business-type activities.** Business-type activities increased the City of Plymouth's net position by \$301,612. The City's only business-type activity, the water and sewer fund, has demonstrated improvement for the past seven years parallel with the improvements in the governmental activities sector. Much of the accumulation of unrestricted assets are the result of the City Commission's desire to provide more reserves to cover unanticipated system replacements as well as to provide for significant future internal funding of ongoing utility replacements as part of the street construction program.

### **Financial Analysis of the Government's Funds**

As noted earlier, the City of Plymouth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Plymouth's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Plymouth's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Plymouth's governmental funds reported combined ending fund balances of \$6,185,086, a decrease of \$766,927 in comparison with the prior year. Approximately 21% of this total amount (\$1,277,239) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. A portion of fund balance is *restricted* to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$6,107), 2) to generate income to pay for the perpetual care of the municipal cemetery (\$566,201), 3) for capital projects (\$225,251) and 4) to special revenue sources (\$3,284,793). The remaining allocation is "*non-spendable*" (\$184,119), and *committed* (\$641,376) to specific purposes.

The general fund is the chief operating fund of the City of Plymouth. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$1,277,239 and the total fund balance was \$1,943,595. *Unassigned* fund balance represents 17% of total general fund expenditures. The general fund had a decrease in fund balance of \$2,282 in the current year.

**Proprietary funds.** The City of Plymouth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$5,761,563. The total growth in net position was \$301,612 as compared to an increase of \$286,510 in the prior year. Other factors concerning the finances of the fund have already been addressed in the discussion of the City of Plymouth's business-type activities.

### **General Fund Budgetary Highlights**

During the three fiscal years ending June 30, 2012, capital outlay expenditures of the general fund averaged more than \$926,000 annually. Capital outlay expenditures averaged only \$115,000 annually for the three years preceding that period ending June 30, 2009. The extraordinary capital outlay expenditures incurred from July 1, 2009 through June 30, 2012 were funded by a number of sources including bonds, Act 99 loans, use of existing fund balance, and proceeds from the foreclosure of tax delinquent properties and the capital outlay expenditures for those three years totaling \$2,779,139 were applied to a number of diverse projects and equipment purchases related to fire services and cultural center building improvements. For the 2012-13 fiscal year, general fund expenditures for capital outlay returned to a more normal level of \$315,489, only \$77,058 for fiscal year 2013-14, \$304,660 for fiscal year 2014-15, \$98,912 for fiscal

year 2015-16, and \$147,534 for fiscal year 2016-17. Although capital outlay expenditures have been erratic the past ten fiscal years, general fund operating expenditures have remained remarkably consistent during that time. With the exception of fiscal years 2013-14, 2014-15, 2015-16 and 2016-17, when operating costs peaked at \$7,054,213, \$6,997,737, \$7,513,062 and \$7,556,866, respectively, actual general fund operating expenditures have ranged from a low of \$ 6,223,657 during the 2008-09 fiscal year to a high of \$6,599,631 during the 2009-10 fiscal year.

Despite the high volume of capital outlay during the fiscal years ending in 2010, 2011 and 2012, and associated reduction in the fund balance of the general fund during that period, available resources as a percentage of annual expenditures in the general fund for fiscal years ending in 2011 through 2015 have averaged approximately 22% and, when considering the additional resources of the budget stabilization fund, that percentage has averaged just over 29%. However, for fiscal year 2015-16 and fiscal year 2016-17 those relative percentages have dropped to approximately 19% and 26%, and 17% and 24% , respectively, for the two fiscal years. It is anticipated that the general fund capital outlay budgets will remain lower for several years as the City attempts to redirect available resources to help reduce unfunded liabilities associated with legacy costs related to the City's former defined benefit pension plan as well as OPEB health care costs for retirees.

The fund balance loss for 2016-17 of only \$2,282 indicates a significant improvement over the prior year loss of \$376,466. Another significant loss was expected for the current year due to a rapid 50% spike in health care claims from the city's self-insured health care plan amounting to nearly \$500,000. A number of significant claims for both active and retired employees resulted in more than \$212,000 in insurance stop loss credits recorded as offsets to the expense for fiscal year 2016-17 but which were not credited to actual healthcare payments until the beginning of fiscal year 2017-18.

The City of Plymouth reviews and approves budget amendments on a quarterly basis during November, February, May and June of each year. The City Commission approved a total of \$325,486 in budgetary increases to the general fund increasing the original budget from \$8,024,710 to \$8,350,196. Most of those amendments were minor but significant changes occurring in public safety services of police and fire as well as several administrative departments within the general fund which were primarily necessary due to the above mentioned issues involving the increased health care costs. Most other funds of the city had relatively minor budget amendments. A major reduction for the city's major and local street funds reducing expenses by \$592,660 from \$1,345,480 to \$752,820 due to a delay on the on-going street construction program until the fall of 2017. The DDA funds were amended to accommodate an increase of \$100,000 to provide for planning and engineering expenses for major improvements to Kellogg Park located within the DDA district. Another major transfer of \$126,611 occurred from the Brownfield local site remediation revolving fund to the operating fund in order to close out final payments on the city's largest Brownfield project there by returning more than \$14 million to the non-captured rolls providing significant additional tax revenue to the city and all other taxing units subject to Brownfield tax capture for fiscal year 2017-18. Finally, the recreation funds were amended to accommodate capital improvements to the cultural center and to complete the ice arena bleacher project. Additional information on general fund budget amendments can be found on page 55.

General fund operations represent slightly more than 55% of 'governmental activities' as measured by total operating and capital expenditures. The City's additional 11 special revenue funds utilized for restricted or specific operations comprise an additional 24% of "governmental activities" measured by operating and capital expenditures. The balance of activities is reported through 5 debt service funds, 3 capital projects funds and the cemetery care fund. For all of the funds contained in the "governmental activities" category, there was a total loss of fund balance amounting to \$766,927 comprised of a \$2,282 loss for the general fund, a \$1,045,002 loss in the capital improvement/project funds, a \$263,605 gain in the special revenue

and cemetery care funds and a \$3,248 loss in the debt service funds. As was the case in the prior fiscal year, the majority of the total reduction in fund balance for the 2016-17 fiscal year is the result of completion of capital infrastructure projects and does not relate to operational concerns.

Although significant economic improvement has occurred in the State in the past few years, most Michigan communities continue to struggle with permanent losses of property values as well as losses of many other major revenue sources resulting from state downsizing and lost tax revenues of all kinds adversely impacting their ability to continue providing services at the levels provided in the past. High volumes of early retirements as well as the normal retirement progression of the baby boomer generation will burden communities for decades with legacy costs which will deprive communities of the ability to focus all of their limited resources on the provision of presently needed services. The City of Plymouth, like most Michigan communities, relies heavily on property taxes and state shared revenues. These two revenue sources provide 77% of the general fund revenues, 99% of the street fund revenues excluding inter-fund transfers, 68% of the waste and recycling fund revenues, 100% of the revenues for three GO debt funds and 92% of the revenues for the City's two tax increment financing authorities. It is essential to the financial health of the City that stability and minimal annual growth be returned to property tax collections and distributions of state shared revenues from sales tax returns and EVIP/CVTRS distributions from the State. Obviously, neither circumstance will occur without the state continuing with a healthy and growing economy. In light of a permanently reduced property valuation base and reduced manufacturing capacity in the State, it is incumbent upon the legislature to re-visit the entire tax structure in the state in order to find a stable means to continue providing critical public services through local communities.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Plymouth's investment in capital assets for its governmental and business type activities as of June 30, 2017, amounts to \$34,168,791 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and highways. The total decrease in the City of Plymouth's investment in capital assets for the current fiscal year was .4%, as annual depreciation exceeded capital outlay expenses.

Most of the significant capital asset changes during the current fiscal year occurred as we near the completion of infrastructure improvements as part of the street reconstruction program involving replacement of roads, drainage systems and water and sewer utility mains as well as the acquisition and development of property in the downtown planned as future parking development facilities.

The continuing street reconstruction program for fiscal year 2017-18 will include the following streets:

- Byron - Main to Ross
- Ross - Dewey to Byron
- Ford Ave - Byron to East End
- Dewey - Ross to Byron

This year's capital outlay acquisitions included \$496,913 of vehicle, machinery and equipment purchases, \$183,831 related to replacement and updating of the City's water and sewer infrastructure, \$1,339,586 of general facility improvements and street infrastructure and \$73,121 in parking facility improvements through the DDA. Details to the City's capital assets are contained in the notes to the financial statements on pages 36-37.

**Long-term debt.** At the end of the current fiscal year, the City of Plymouth had total bonded and installment debt outstanding of \$10,935,471 in addition to \$1,410,000 of debt obligations from the DDA, all of which comprises debt backed by the full faith and credit of the government. During fiscal year 2017, the City made annual debt service payments of \$1,929,968 and \$45,000 of payments by the DDA. Additional information on the City of Plymouth's long-term debt can be found in notes III.D. on page 39-40.

### **Economic Factors and Next Year's Budgets and Rates**

The economic climate for the State of Michigan, although continuing to improve since the end of the great recession, remains plagued by a weak economic recovery in terms of job creation and manufacturing production when compared to recoveries following previous recessions. On a good note, however, there has been noticeable and significant recovery in the residential housing market in terms of prices and construction of both renovations and new single-family homes, and finally, during the past two years the commercial and industrial sectors are also showing recovery and growth. But until there is meaningful economic recovery in all economic segments in the state, there will continue to be a threat of major revenue losses from income and sales taxes at the state level and property taxes at the local level which could well trigger the need for additional rounds of expenditure cuts or service consolidations to meet the new challenges presented by a changing state economy.

For the upcoming fiscal year, the City Commission has approved an operating millage rate for 2017 of 10.9937 mills, which is .1912 mills less than the 2016 rate and .3897 mills less than the rate of 11.3834 which had existed for ten consecutive years ending in 2015, and is the result of a third consecutive millage rate rollback under the Headlee formula since 2005. The waste and recycling operating millage rate was held steady at 1.82 mills and the city's general obligation debt millage rate decreased slightly from 2.9412 mills to 2.8488 mills. The GO debt millage is based on the sale of street bonds in 2008, 2012 and 2014 and will continue to decline until all of the millages have expired during the 2023-24 fiscal year.

Staff recommendations for service charges and utility rates beginning July 1, 2017 included a continuing freeze in the trash cart service fees at \$ 9.50 per month for a fourth consecutive fiscal year and a slight increase on water and sewer usage charges from the current rates of \$5.07 and \$6.56 per thousand gallons, respectively, for water and sewer services to \$5.26 and \$6.61 per thousand gallons effective July 1, 2017. After a significant increase in water and sewer tap fees during the 2013-14 fiscal year, rates were held constant for tap fees for the 2017-18 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Plymouth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 201 S. Main Street, City of Plymouth, Michigan 48170.



BASIC FINANCIAL STATEMENTS





**CITY OF PLYMOUTH**  
**Statement of Net Position**  
**June 30, 2017**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,748,138	\$ 4,724,978	\$ 11,473,116	\$ 1,055,124
Investments	55,594	-	55,594	-
Receivables (net of allowance for uncollectibles)	256,883	1,110,884	1,367,767	17,983
Due from Other Funds	80,000	-	80,000	-
Due from Primary Government	-	-	-	10,824
Due from Other Governmental Units	574,142	264,169	838,311	-
Inventory	135,663	140,127	275,790	-
Prepaid Expenditures	4,670	-	4,670	-
Restricted Assets - Cash and Cash Equivalents	-	936,820	936,820	-
Capital Assets (Net of Accumulated Depreciation)	23,000,341	11,168,450	34,168,791	4,298,170
Total Assets	<u>30,855,431</u>	<u>18,345,428</u>	<u>49,200,859</u>	<u>5,382,101</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized Bond Discount	-	54,247	54,247	-
Deferral related to Pension	1,136,560	-	1,136,560	-
	<u>1,136,560</u>	<u>54,247</u>	<u>1,190,807</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	610,834	445,676	1,056,510	30,191
Accrued Liabilities	525,284	32,919	558,203	38,249
Due to Other Funds	18,989	-	18,989	-
Due to Component Unit	10,824	-	10,824	-
Due to Other Governmental Units	248,142	-	248,142	-
Noncurrent Liabilities:				
Compensated Absences	293,239	-	293,239	-
Other Post Employment Benefits (OPEB)	3,468,648	-	3,468,648	-
Net Pension Liability	7,683,513	-	7,683,513	-
Due within one year	1,427,165	425,000	1,852,165	45,000
Due in more than one year	6,958,306	2,125,000	9,083,306	1,365,000
Total Liabilities	<u>21,244,944</u>	<u>3,028,595</u>	<u>24,273,539</u>	<u>1,478,440</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unamortized Bond Premium	-	198,680	198,680	153,395
<b>NET POSITION</b>				
Net Investment in Capital Assets	14,614,870	8,474,017	23,088,887	2,888,170
Restricted for:				
Capital Projects	225,251	936,820	1,162,071	-
Debt Service	6,107	-	6,107	-
Special Revenue	3,284,793	-	3,284,793	-
Other	566,201	-	566,201	-
Unrestricted (Deficit)	(7,950,175)	5,761,563	(2,188,612)	862,096
Total Net Position	<u>\$ 10,747,047</u>	<u>\$ 15,172,400</u>	<u>\$ 25,919,447</u>	<u>\$ 3,750,266</u>

**CITY OF PLYMOUTH**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

<u>Functions/Programs</u>	<b>Program Revenues</b>			
<u>Primary Government:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General Government	\$ 1,584,510	\$ 1,410,785	\$ 63,346	\$ -
Public Safety	5,474,234	779,229	73,760	-
Public Works	3,423,324	435,712	646,292	-
Recreation and Cultural	1,418,857	970,784	-	32,850
Other	196,605	-	-	-
Interest on Long-Term Debt	280,453	-	-	-
Total Governmental Activities	12,377,983	3,596,510	783,398	32,850
Business-type Activities:				
Water and Sewer	4,054,079	4,101,995	-	359,969
Total Primary Government	\$ 16,432,062	\$ 7,698,505	\$ 783,398	\$ 392,819
<b>Component Units:</b>				
D.D.A./B.R.A./E.D.C.	\$ 1,491,857	\$ 103,325	\$ 9,967	\$ -

General Revenues:  
Property Taxes  
State Shared Revenues  
Franchise Fee  
Unrestricted Investment Earnings  
Gain(Loss) on Sale of Assets  
Transfers-Component Unit  
Transfers  
Total General Revenues and Transfers

Change in Net Position  
Net Position - Beginning  
  
Net Position - Ending

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (110,379)	\$ -	\$ (110,379)	\$ -
(4,621,245)	-	(4,621,245)	-
(2,341,320)	-	(2,341,320)	-
(415,223)	-	(415,223)	-
(196,605)	-	(196,605)	-
(280,453)	-	(280,453)	-
<u>(7,965,225)</u>	<u>-</u>	<u>(7,965,225)</u>	<u>-</u>
<u>-</u>	<u>407,885</u>	<u>407,885</u>	<u>-</u>
<u>(7,965,225)</u>	<u>407,885</u>	<u>(7,557,340)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,378,565)</u>
7,396,431	-	7,396,431	1,292,107
850,800	-	850,800	-
252,916	-	252,916	-
1,773	-	1,773	244
-	(87,843)	(87,843)	(57,130)
233,000	-	233,000	(233,000)
18,430	(18,430)	-	-
<u>8,753,350</u>	<u>(106,273)</u>	<u>8,647,077</u>	<u>1,002,221</u>
788,125	301,612	1,089,737	(376,344)
<u>9,958,922</u>	<u>14,870,788</u>	<u>24,829,710</u>	<u>4,126,610</u>
<u>\$ 10,747,047</u>	<u>\$ 15,172,400</u>	<u>\$ 25,919,447</u>	<u>\$ 3,750,266</u>

**CITY OF PLYMOUTH**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 2,482,904	\$ 4,035,232	\$ 6,518,136
Investments	-	55,594	55,594
Receivables (net of allowance for uncollectibles):			
Taxes	22,703	-	22,703
Accounts	95,805	111,445	207,250
Due from Other Funds	80,000	-	80,000
Due from Other Governmental Units	364,862	209,280	574,142
Inventory	31,686	67,763	99,449
Prepaid Expenditures	4,670	-	4,670
	<u>\$ 3,082,630</u>	<u>\$ 4,479,314</u>	<u>\$ 7,561,944</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Accounts Payable	\$ 382,593	\$ 203,303	\$ 585,896
Accrued and Other Liabilities	478,487	34,520	513,007
Due to Other Governmental Units	248,142	-	248,142
Due to Other Funds	18,989	-	18,989
Due to Component Unit	10,824	-	10,824
Total Liabilities	<u>1,139,035</u>	<u>237,823</u>	<u>1,376,858</u>
Fund Balances:			
Non Spendable-Inventory and Prepaid Expenditures	36,356	67,763	104,119
Non Spendable-Long Term Accounts Receivable	80,000	-	80,000
Restricted:			
Capital Projects	-	225,251	225,251
Debt Service	-	6,107	6,107
Special Revenue	-	3,284,793	3,284,793
Other	-	566,201	566,201
Committed	550,000	91,376	641,376
Uncommitted:			
Unassigned	1,277,239	-	1,277,239
Total Fund Balances	<u>1,943,595</u>	<u>4,241,491</u>	<u>6,185,086</u>
Total Liabilities and Fund Balances	<u>\$ 3,082,630</u>	<u>\$ 4,479,314</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,751,504
Internal Service Funds are used by management to charge the costs of motor pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. These liabilities do not require current resources:	1,099,297
Other Post Employment Benefits Liability	(3,468,648)
Compensated Absences Liability	(293,239)
Net Pension Liability	(6,546,953)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(7,980,000)
Net Position of Governmental Activities	<u>\$ 10,747,047</u>

**CITY OF PLYMOUTH**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>			
Property Taxes	\$ 5,253,413	2,143,018	\$ 7,396,431
Licenses and Permits	3,472	602,131	605,603
Intergovernmental:			
Federal, State and Local	892,971	711,052	1,604,023
Charges for Services	997,268	1,386,281	2,383,549
Fines and Forfeitures	37,552	-	37,552
Interest	34	1,739	1,773
Other	849,349	36,398	885,747
Total Revenues	<u>8,034,059</u>	<u>4,880,619</u>	<u>12,914,678</u>
<b><u>Expenditures</u></b>			
Current:			
General Government	1,590,654	-	1,590,654
Public Safety	4,852,176	588,739	5,440,915
Public Works	917,431	1,540,825	2,458,256
Recreation and Cultural	-	1,282,913	1,282,913
Other	196,605	-	196,605
Debt Service:			
Principal	-	1,450,000	1,450,000
Interest and Other Charges	-	268,149	268,149
Capital Outlay	147,534	1,104,159	1,251,693
Total Expenditures	<u>7,704,400</u>	<u>6,234,785</u>	<u>13,939,185</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>329,659</u>	<u>(1,354,166)</u>	<u>(1,024,507)</u>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	-	509,391	509,391
Transfers In-Component Unit (DDA)	-	233,000	233,000
Transfers Out	(331,941)	(152,870)	(484,811)
Total Other Financing Sources (Uses)	<u>(331,941)</u>	<u>589,521</u>	<u>257,580</u>
Net Change in Fund Balances	(2,282)	(764,645)	(766,927)
Fund Balances - Beginning	<u>1,945,877</u>	<u>5,006,136</u>	<u>6,952,013</u>
Fund Balances - Ending	<u>\$ 1,943,595</u>	<u>4,241,491</u>	<u>\$ 6,185,086</u>

**CITY OF PLYMOUTH**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances - total governmental funds (page 16)	\$	(766,927)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense in the current period.</p>		
Capital Outlay		1,339,586
Depreciation Expense		(1,320,788)
<p>The net increase in other post employment benefit obligations (OPEB) does not require current resources and are not included in governmental funds.</p>		
		(423,768)
<p>The net decrease in Net Pension Liability does not require current resources and are not included in governmental funds.</p>		
		617,295
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Principal Repayments		1,450,000
Compensated Absences Increase		(22,803)
<p>Internal service funds are used by management to charge the costs of fleet management and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		<u>(84,470)</u>
Change in net position in governmental activities (page 14)	\$	<u><u>788,125</u></u>

**CITY OF PLYMOUTH**  
**Balance Sheet**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Business Type Activity Enterprise Fund</b>	<b>Governmental Activities - Internal Service</b>
	<b>Water &amp; Sewer</b>	<b>Equipment Fund</b>
<b><u>ASSETS AND DEFERRED OUTFLOWS</u></b>		
Current Assets:		
Cash and Cash Equivalents	\$ 4,724,978	\$ 230,002
Accounts Receivable	1,110,884	26,930
Due from State	264,169	-
Inventory	140,127	36,214
Total Current Assets	6,240,158	293,146
Restricted Assets - Cash and Cash Equivalents	936,820	-
Property, Plant and Equipment:		
Water and Sewer Infrastructure	18,645,142	-
Machinery, Equipment and Vehicles	259,981	5,569,382
Accumulated Depreciation	(7,736,673)	(4,320,545)
Net Property, Plant and Equipment	11,168,450	1,248,837
Total Assets	18,345,428	1,541,983
Deferred Outflow - Unamortized Bond Discount	54,247	-
Total Assets and Deferred Outflows	\$ 18,399,675	\$ 1,541,983
<b><u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u></b>		
Current Liabilities:		
Accounts Payable	\$ 445,676	\$ 24,938
Accrued Liabilities	32,919	12,277
Current Portion of Long Term Debt Payable	425,000	37,165
Total Current Liabilities	903,595	74,380
Long-Term Liabilities:		
Notes Payable	-	368,306
Bonds Payable	2,125,000	-
Deferred Inflow - Bond Refunding	198,680	-
Net Position:		
Net Investment in Capital Assets	8,474,017	843,366
Restricted for Improvements	936,820	-
Unrestricted	5,761,563	255,931
Total Net Position	15,172,400	1,099,297
Total Liabilities, Deferred Inflows and Net Position	\$ 18,399,675	\$ 1,541,983

**CITY OF PLYMOUTH**  
**Statement of Revenues, Expenses and Changes in Fund Equity**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business Type Activity Enterprise Fund</b>	<b>Governmental Activities - Internal Service</b>
	<b>Water &amp; Sewer</b>	<b>Equipment Fund</b>
<b><u>Operating Revenues:</u></b>		
Charges for Services	\$ 4,091,038	\$ -
Rental Income	-	584,958
Miscellaneous	10,957	33,323
Total Operating Revenues	4,101,995	618,281
<b><u>Operating Expenses:</u></b>		
Personal Services, Other and Administrative	644,273	394,179
Trunk and Lateral	334,794	-
Mains Maintenance	153,629	-
Service Maintenance	38,451	-
Sewage Disposal Charges	1,242,108	-
Purchased Water	1,024,478	-
Meter Maintenance	105,931	-
Hydrant Maintenance	36,861	-
Depreciation and Amortization	459,576	290,118
Total Operating Expenses	4,040,101	684,297
Operating Income (Loss)	61,894	(66,016)
<b><u>Non-Operating Revenues (Expenses):</u></b>		
State Grant	359,969	-
Gain (Loss) on Sale of Asset	(87,843)	-
Interest Expense	(13,978)	(12,304)
Total Non-Operating Revenues (Expenses)	258,148	(12,304)
Income (Loss) before Transfers	320,042	(78,320)
<b><u>Transfers:</u></b>		
Transfers Out	(18,430)	(6,150)
Net Income (Loss)	301,612	(84,470)
Net Position, Beginning	14,870,788	1,183,767
Net Position, Ending	\$ 15,172,400	\$ 1,099,297



**CITY OF PLYMOUTH**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business Type Activity Enterprise Fund</b>	<b>Governmental Activities - Internal Service</b>
	<b>Water &amp; Sewer</b>	<b>Equipment Fund</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from customers and users	\$ 3,780,800	\$ 11,483
Receipts from quasi-external transactions	-	584,958
Payments to suppliers	(2,807,235)	(395,137)
Payments to employees	(645,344)	11,091
Net Cash Provided by Operating Activities	328,221	212,395
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
Transfer to other funds	(18,430)	(6,150)
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
State Grant Contribution	95,800	-
Purchases of Capital Assets	(183,831)	(496,913)
Proceeds from Installment Loan	-	405,471
Principal Paid on Capital Debt	(415,000)	-
Interest Paid on Capital Debt	(4,618)	(12,304)
Net Cash Provided (Used) by Capital and Related Financing Activities	(507,649)	(103,746)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest Earned	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(197,858)	102,499
Cash and Cash Equivalents, Beginning	5,620,322	192,471
Cash and Cash Equivalents, Ending	\$ 5,422,464	\$ 294,970
<b><u>Balance Sheet Classifications:</u></b>		
Cash and Cash Equivalents	\$ 4,724,978	\$ 230,002
Restricted Assets - Cash and Cash Equivalents	936,820	-
Total	\$ 5,661,798	\$ 230,002
<b><u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</u></b>		
Operating Income (Loss)	\$ 61,894	\$ (66,016)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	459,576	290,118
(Increase) Decrease in Receivables	(57,026)	(21,840)
(Increase) Decrease in Due from State	(264,169)	-
Increase (Decrease) in Accounts Payable	129,017	(958)
Increase (Decrease) in Accrued Liabilities	(1,071)	11,091
Net Cash Provided by Operating Activities	\$ 328,221	\$ 212,395

**CITY OF PLYMOUTH**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	<b>Agency Funds</b>
<b><u>ASSETS</u></b>	
Cash	\$ 70,212
Due from Other Funds	18,989
Due from Other Governmental Units	<u>139,172</u>
Total Assets	<u>228,373</u>
<b><u>LIABILITIES</u></b>	
Due to Other Funds	80,000
Due to Other	<u>148,373</u>
Total Liabilities	<u>228,373</u>
<b>NET POSITION</b>	<b>\$ <u><u>-</u></u></b>

**CITY OF PLYMOUTH**  
**Statement of Net Position - Component Units**  
**June 30, 2017**

	<u>Major Funds</u>		<u>Non Major</u>	<u>Total</u>
	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>	<u>Economic Development Authority</u>	
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 894,795	\$ 160,329	\$ -	\$ 1,055,124
Accounts Receivable	17,983	-	-	17,983
Due from Primary Government	-	-	10,824	10,824
Capital Assets (Net of Accumulated Depreciation)	4,298,170	-	-	4,298,170
Total Assets	<u>5,210,948</u>	<u>160,329</u>	<u>10,824</u>	<u>5,382,101</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	9,593	20,598	-	30,191
Accrued Liabilities	38,249	-	-	38,249
Noncurrent Liabilities:				
Due within one year	45,000	-	-	45,000
Due in more than one year	1,365,000	-	-	1,365,000
Total Liabilities	<u>1,457,842</u>	<u>20,598</u>	<u>-</u>	<u>1,478,440</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Unamortized Bond Premium	<u>153,395</u>	<u>-</u>	<u>-</u>	<u>153,395</u>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	2,888,170	-	-	2,888,170
Unrestricted	711,541	139,731	10,824	862,096
	<u>\$ 3,599,711</u>	<u>\$ 139,731</u>	<u>\$ 10,824</u>	<u>\$ 3,750,266</u>

**CITY OF PLYMOUTH**  
**Statement of Activities - Component Units**  
**For the Year Ended June 30, 2017**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Major Funds		Non Major	
					Downtown Development Authority	Brownfield Redevelopment Authority	Economic Development Authority	
<b>Major Funds:</b>								
Downtown Development Authority	\$ 950,974	\$ 103,325	\$ 9,967	\$ -	\$ (837,682)	\$ -	\$ -	\$ (837,682)
Brownfield Redevelopment Authority	540,883	-	-	-	-	(540,883)	-	(540,883)
Total	\$ 1,491,857	\$ 103,325	\$ 9,967	\$ -	\$ (837,682)	\$ (540,883)	\$ -	\$ (1,378,565)
General Revenues:								
Property Taxes					877,632	414,475	-	1,292,107
Unrestricted Investment Earnings					244	-	-	244
Gain (Loss) on Sale of Assets					(57,130)	-	-	(57,130)
Transfer to Primary Government					(233,000)	-	-	(233,000)
Total General Revenues					587,746	414,475	-	1,002,221
Change in Net Position					(249,936)	(126,408)	-	(376,344)
Net Position - Beginning					3,849,647	266,139	10,824	4,126,610
Net Position - Ending					\$ 3,599,711	\$ 139,731	\$ 10,824	\$ 3,750,266

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Plymouth was incorporated March 14, 1932, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire, and inspection), highways and streets, sanitation, community development, culture-recreation, public improvements, planning and zoning, water and sewerage system, and general administrative services. It also operates a municipal cemetery.

As required by generally accepted accounting principles, these financial statements present the City of Plymouth and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Each blended and discretely presented component unit has a June 30, 2016 year end.

*Blended Component Units*

The City of Plymouth Municipal Building Authority is governed by a five (5) member Board appointed by the Mayor with City Commission approval. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings and parking structures.

*Discretely Presented Component Units*

The City of Plymouth Downtown Development Authority (DDA) Board is comprised of up to twelve (12) members appointed by the Mayor with City Commission approval. The DDA is responsible for the creation of a development and financing plan for the downtown district or a development area within the district to promote economic growth. The Authority must obtain City Commission approval of all development and financing plans. The annual operating budget and any modifications also require the approval of the Plymouth City Commission.

The City of Plymouth Economic Development Corporation (EDC) is governed by a nine (9) member board appointed by the Mayor with City Commission approval. The EDC was established to promote economic development within the City.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

A. Reporting Entity – Continued

*Discretely Presented Component Units – Continued*

The City of Plymouth Brownfield Redevelopment Authority (BRA) is comprised of a nine (9) member board appointed by the Mayor with City Commission approval. The BRA was established to promote the revitalization of environmentally distressed areas of the City.

The above component units are discretely presented within the City financial statements because they are legally separate and financially accountable to the City. Financial accountability is demonstrated by the City Commission making the appointments to the respective boards, approving the annual operating budgets and any amendments of each component unit and approving development and financing plans of the EDC and DDA. Separate financial statements for these component units have not been prepared.

*Joint Ventures*

As of December 31, 2011, the City concluded participation with the Charter Township of Plymouth in a joint venture to operate the Plymouth Community Fire Department (PCFD), which provided fire services for residents and businesses of both the City and Township. As of January 1, 2012, the City became a participant with the City of Northville in a joint venture to receive fire services provided by the Northville City Fire Department (NCFD) to residents and businesses of the City of Plymouth. Both intergovernmental agreements are considered joint ventures because the City has an ongoing financial interest and ongoing financial responsibility related to the former service with the Charter Township of Plymouth and the City of Northville. Upon termination of the Township agreement, the City received an equipment equity interest equal to 25% of the net book value of the PCFD fixed assets at the termination date. The City has an obligation to the Township related to cost sharing or retirement pensions and retiree healthcare costs for employees who served under the agreement. Under the agreement with the City of Northville, the City will share staffing expenses of the NCFD based on a percentage related to the number of fire runs in each city compared to the total for both cities. The same percentage also applies to equipment rental charges of the City of Northville's Equipment Fund related to fire equipment of the NCFD.

The City also participates in an intergovernmental service agreement with Plymouth Township for Community services (E911, Police Dispatch). The Township has sole ownership of the assets of the "Plymouth Community Communication Center" established by the agreement.

During the year, the City contributed \$896,519 for Fire services from both the PCFD and NCFD and \$398,843 towards the Community Communications Center. Copies of the financial activity can be obtained from the Charter Township of Plymouth and the City of Northville.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Governmental Funds

The City reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

In addition, the City reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or capital projects).

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital project funds are used to account for construction projects and their related revenue sources.

Permanent funds are used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. This includes the perpetual care fund for the municipal cemetery.



CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Commission has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's enterprise fund is the Water and Sewer Fund, which is reported as a major fund.

Internal Service Funds account for operations that provide services to other departments or agencies of the City on a cost reimbursement basis. As these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental* activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary funds include the following fund types:

The Agency Funds are used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowances (\$30,195) for uncollectible accounts, which are recorded at \$1,367,767 at June 30, 2017.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

3. Inventory

Inventories are valued at cost using the first-in/first out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

4. Restricted Assets

Resources for the debt service and capital project activities within the Water and Sewer Fund (Enterprise Fund) are segregated and classified as "Restricted Assets", and total \$936,820 at June 30, 2017.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-30
Equipment	5-20
Infrastructure	15-30

6. Compensated Absences

In accordance with contracts negotiated with the various employee groups of the City, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

6. Compensated Absences – Continued

formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Position.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

8. Fund Equity

In the fund financial statements, governmental funds report the following components of fund balance:

Non-spendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by City Commission for use for a specific purpose. Commitments are made and can be rescinded only via resolution of the City Commission.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

8. Fund Equity – Continued

Assigned – Intent to spend resources on specific purposes expressed by the City Commission, but are neither restricted nor committed. The City's intent would be to spend committed funds prior to the use of uncommitted/unassigned funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Unassigned – This is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City has no financial policies addressing fund equity. The City maintains a Budget Stabilization Fund, established under P.A. 30 of 1978. The fund balance total at June 30, 2016 is \$550,000. Under P.A. 30 of 1978, the Budget Stabilization Fund is maintained in a separate Special Revenue Fund, and may be appropriated only by two-thirds majority vote of City Commission, and only under specific conditions. Under provisions of GASB Statement No. 54, the Budget Stabilization Fund is reported in the General Fund.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

1. The City is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:
  - a. Budgets must be adopted for the General and Special Revenue Funds.
  - b. Budgets must be balanced.
  - c. Budgets must be amended as necessary.
  - d. Public hearings must be held prior to adoption.
  - e. Expenditures cannot exceed budget appropriations.
  - f. Expenditures must be authorized by a budget appropriation prior to being incurred.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

A. Budgetary Information – Continued

2. The City follows these procedures in establishing the budgetary data reflected in these financial statements:
  - a. At the first meeting in April, the City Manager submits to the City Commission the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Proprietary Fund Types.
  - b. Public hearings are conducted at City Hall to obtain taxpayer comments.
  - c. Prior to June 30, the budgets are legally enacted at the activity level for the General Fund and at the activity level expenditure level for the Special Revenue Funds through passage of a resolution.
  - d. Formal budgetary integration is employed as a management control device during the year for all budgetary funds.
  - e. The City Manager is authorized to transfer amounts not to exceed 10% of the departmental budget between departmental (activity level) appropriation accounts.
  - f. Budget appropriations lapse at year end.
  - g. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.
  - h. Budgeted amounts are reported as originally adopted, or as amended by the City Commission.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

The City has no funds with deficit balances.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

The budgets for the General and Special Revenue Funds are adopted at the activity level. The City had no expenditures in excess of budget appropriations in the budgetary funds at June 30, 2017.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

B. Compliance with P.A. 621 of 1978 – Continued

3. Reconciliation of Budgetary Presentation

The General Fund budget to actual comparison on page 49, have been prepared on the basis that the budget was legally adopted. The Budget Stabilization Fund no longer qualified to be reported as a Special Revenue Fund due to the City's implementation of GASB Statement No. 54. The inclusion of the Budget Stabilization Fund equity increases the General Fund fund balance by \$550,000.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the City is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices.

A reconciliation of cash to the accompanying financial statements follows:

Statement of Net Position:	
Cash and Cash Equivalents	\$ 11,473,116
Restricted Assets-Cash	936,820
Fiduciary Fund:	
Cash	<u>70,212</u>
Total	<u>\$ 12,480,148</u>

Custodial Credit Risk. In the event of a bank failure, the City's deposits may not be recovered. Neither State law nor the City's investment policy requires consideration of custodial credit risk. As of June 30, 2017, the City's book balance of its deposits was \$12,477,948; the total book balance was \$12,480,148, due to \$2,200 in cash on hand. The bank balance was \$12,171,888, of which \$11,921,888 was uninsured and uncollateralized.

<u>Component Units:</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>FDIC Insured</u>
Downtown Development Authority	\$ 894,795	\$ 894,795	\$ -
Economic Development Corporation	-	-	-
Brownfield Redevelopment Authority	<u>160,329</u>	<u>160,329</u>	-
	<u>\$1,055,124</u>	<u>\$1,055,124</u>	<u>\$ -</u>

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

III. DETAILED NOTES ON ALL FUNDS – Continued

A. Deposits and Investments – Continued

Interest Rate Risk. The City's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270 day maturity. At year end, the average maturities of deposits are as follows:

<u>Deposits and Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Primary Government:		
Savings and Checking Accounts	\$ 958,143	Demand
Pooled Investment (Sweep)	<u>11,213,745</u>	Demand
	<u>\$ 12,171,888</u>	
Trust Fund:		
Mutual Fund – Bonds and Cash	\$ 1,000	Not Available
Mutual Fund – Equity	<u>54,994</u>	Not Available
	<u>\$ 55,994</u>	
Component Units:		
Pooled Investment (Sweep)	<u>\$ 1,055,124</u>	Demand

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Deposits and Investments</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Primary Government:			
Savings & Checking	\$ 958,143	N/A	N/A
Pooled Investments	<u>11,213,745</u>	Not Rated	
	<u>\$ 12,171,888</u>		
Trust Fund:			
Mutual Fund – Cash	\$ 1,000	Not Available	
Mutual Funds – Equity	<u>54,994</u>	Not Available	
	<u>\$ 55,594</u>		
Component Units:			
Pooled Investments	<u>\$ 1,055,124</u>	Not Rated	

Concentration of Credit Risk. The City's investment policy places no limit on the amount the City may invest in any one issuer. The City does have more than 5% of its total investments in a single issuer:

Trust Fund – CTF Equity Fund – \$55,594 (98.2%).



CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 1,256,528	\$ -	\$ -	\$ 1,256,528
Capital Assets, being depreciated:				
Buildings and Improvements	7,162,927	110,361	-	7,273,288
Machinery and Equipment	2,049,049	22,075	-	2,071,124
Infrastructure	25,187,060	1,207,150	-	26,394,210
Internal Service Fund	5,094,204	496,913	(21,735)	5,569,382
	<u>39,493,240</u>	<u>1,836,499</u>	<u>(21,735)</u>	<u>41,308,004</u>
Less: Accumulated Depreciation:				
Buildings and Improvements	(4,505,668)	(195,166)	-	(4,700,834)
Machinery and Equipment	(1,287,959)	(238,287)	-	(1,526,246)
Infrastructure	(8,129,231)	(887,335)	-	(9,016,566)
Internal Service Fund	(4,052,162)	(290,118)	21,735	(4,320,545)
	<u>(17,975,020)</u>	<u>(1,610,906)</u>	<u>21,735</u>	<u>(19,564,191)</u>
Governmental Activities Capital Assets, net	<u>\$ 22,774,748</u>	<u>\$ 225,593</u>	<u>\$ -</u>	<u>\$ 23,000,341</u>

Depreciation expense was charged to functions of the primary government as follows:

General Government	\$ 94,033
Public Safety	126,627
Public Works	954,358
Recreation and Cultural	145,770
Charged though Internal Service Funds	290,118
	<u>\$ 1,610,906</u>

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, being depreciated:				
Water and Sewer Mains	\$ 18,467,605	\$ 177,537	\$ -	\$ 18,645,142
Equipment	343,435	6,294	(89,748)	259,981
	<u>18,811,040</u>	<u>183,831</u>	<u>(89,748)</u>	<u>18,905,123</u>
Less: Accumulated Depreciation:				
Water and Sewer Mains	(6,991,528)	(451,417)	-	(7,442,945)
Equipment	(287,474)	(8,159)	1,905	(293,728)
	<u>(7,279,002)</u>	<u>(459,576)</u>	<u>1,905</u>	<u>(7,736,673)</u>
Business-type Activities Capital Assets, net	<u>\$ 11,532,038</u>	<u>\$ (275,745)</u>	<u>\$ (87,843)</u>	<u>\$ 11,168,450</u>
<u>Component Units:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, not depreciated:				
Land	\$ 597,000	\$ -	\$ -	\$ 597,000
Capital Assets, being depreciated:				
Infrastructure	\$ 6,957,985	\$ -	\$ -	\$ 6,957,985
Buildings	1,528,529	73,121	(59,100)	1,542,550
Equipment	212,473	-	-	212,473
	<u>8,698,987</u>	<u>73,121</u>	<u>(59,100)</u>	<u>8,713,008</u>
Less: Accumulated Depreciation:				
Infrastructure	(4,613,486)	(205,587)	-	(4,819,073)
Buildings	(81,400)	(40,700)	1,970	(120,130)
Equipment	(67,015)	(5,620)	-	(72,635)
	<u>(4,761,901)</u>	<u>(251,907)</u>	<u>1,970</u>	<u>(5,011,838)</u>
Component Units Capital Assets, net	<u>\$ 4,534,086</u>	<u>\$ (178,786)</u>	<u>\$ (57,130)</u>	<u>\$ 4,298,170</u>

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

III. DETAILED NOTES ON ALL FUNDS – Continued

C. Interfund Receivables, Payables and Transfers

1. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Housing Commission Agency	\$ 80,000
Property Tax Agency Fund	General Fund	18,989
		<u>\$ 98,989</u>

Interfund balances represent uncleared short term advances at year end, arising in the normal course of business.

2. Interfund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Recreation	General Fund	\$ 200,000
Neighborhood Services	General Fund	51,460
Local Street Fund	Major Street Fund	112,000
Recreation CIF	Recreation	4,000
2006 LTGO Debt	General Fund	60,481
2006 LTGO Debt	Recreation	18,430
2006 LTGO Debt	Solid Waste	12,290
2006 LTGO Debt	Building	6,150
2006 LTGO Debt	Water & Sewer Fund	18,430
2006 LTGO Debt	Equipment Fund	6,150
2008 GO Debt	General Fund	5,000
2012 Ref GO Debt	General Fund	8,000
2014 Ref GO Debt	General Fund	7,000
		<u>\$ 509,391</u>
Component Units:		
2010 LTGO Debt	DDA	<u>\$ 233,000</u>

Transfers represent budgeted operating subsidies and funding for debt service, planned transfers between the Street Funds, and assistance with capital projects.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Balance Within 1 Year
Governmental Activities:					
2006 LTGO Bonds	\$ 120,000	\$ -	\$ 120,000	\$ -	\$ -
2008 GO Bonds	2,125,000	-	285,000	1,840,000	335,000
2010 LTGO Bonds	460,000	-	225,000	235,000	235,000
2012 LTGO Bonds	5,095,000	-	430,000	4,665,000	210,000
2014 GO Refunding Bonds	1,630,000	-	390,000	1,240,000	610,000
Total Bonds	<u>9,430,000</u>	<u>-</u>	<u>1,450,000</u>	<u>7,980,000</u>	<u>1,390,000</u>
Installment Loan Vehicles	64,968	405,471	64,968	405,471	37,165
	<u>\$ 9,494,968</u>	<u>\$ 405,471</u>	<u>\$ 1,514,968</u>	<u>\$ 8,385,471</u>	<u>\$ 1,427,165</u>
Business-type Activities:					
2015 Cap Imp Bonds	\$ 1,810,000	\$ -	\$ 190,000	\$ 1,620,000	\$ 190,000
2012 GO Refunding Bonds	1,155,000	-	225,000	930,000	225,000
	<u>\$ 2,965,000</u>	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 2,550,000</u>	<u>\$ 415,000</u>
Component Unit-DDA					
2015 Cap Imp Bonds	\$ 1,455,000	\$ -	\$ 45,000	\$ 1,410,000	\$ 45,000

The following is a summary of general obligation debt outstanding (excluding compensated absences) of the City as of June 30, 2017:

	Number of Issues	Interest Rate (Coupon)	Maturing Through	Principal Outstanding
Governmental Activities:				
Gen Obligation Bonds	4	1.43-4.75%	2024	\$ 7,980,000
Act 99 Installment Loans	1	2.75%	2022	405,471
Total Govt Activities				<u>\$ 8,385,471</u>
Business-type Activities:				
Gen Obligation Bonds	2	2.00-4.00%	2025	<u>\$ 2,550,000</u>
Component Unit-DDA				
Gen Obligation Bonds	1	4.00%	2025	<u>\$ 1,410,000</u>

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt – Continued

The annual debt service requirements to maturity for debt outstanding as of June 30, 2017 are as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Component Unit-DDA</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,427,165	\$ 244,575	\$ 425,000	\$ 78,970	\$ 45,000	\$ 55,500
2019	1,273,506	213,005	420,000	67,510	185,000	50,900
2020	1,369,565	181,899	465,000	55,598	185,000	43,500
2021	1,035,653	128,731	265,000	42,198	190,000	36,000
2022	1,259,582	98,256	270,000	32,778	195,000	28,300
2023-2025	2,020,000	90,900	705,000	40,450	610,000	36,800
	<u>\$ 8,385,471</u>	<u>\$ 957,366</u>	<u>\$ 2,550,000</u>	<u>\$ 317,504</u>	<u>\$ 1,410,000</u>	<u>\$ 251,000</u>

E. Property Taxes

Property taxes are assessed as of each December 31. The City tax levy is billed on July 1, and taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed. The maximum authorized operating levy for the City is 15 mills prior to “rollback” required by State laws, and additional amounts for Solid Waste as provided by State law. The City also levies voter approved amounts for general obligation debt. The City's tax levy for the 2016 tax roll is as follows (tax rate per \$1,000 of assessed valuation):

	<u>Tax Rate</u>
General Operating	11.1849
Refuse	1.8200
General Obligation Debt	<u>2.9412</u>
Total	<u>15.9461</u>

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Description

The City participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees Retirement System of Michigan (MERS) that covers all full-time employees of the City. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member Retirement Board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at [www.mersofmichigan.com](http://www.mersofmichigan.com) or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended established and amends the benefit provisions of the participants in MERS. There are three divisions, all closed to new hires; the benefit provisions are summarized on the following page.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Benefit Provisions

1 - General: Closed to new hires

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	8 years	8 years
Early Retirement (Unreduced):	55/25	55/25
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	0%	0%
DC Plan for New Hires:	7/1/1998	7/1/1998
Act 88:	Yes (Adopted 12/2/68)	Yes (Adopted 12/2/68)

2 - Police

	2014 Valuation	2013 Valuation
Benefit Multiplier:	3.2% Multiplier (80% max)	3.2% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:		
Early Retirement (Unreduced):	25 and out	25 and out
Early Retirement (Reduced):	55/15	55/15
Final Average Compensation:	3 years	3 years
COLA for Future Retirees:	2.50% (Non-Compound)	2.50% (Non-Compound)
Employee Contributions:	7.00%	7.00%
DC Plan for New Hires:	7/1/2004	7/1/2004
Act 88:	Yes (Adopted 12/2/68)	Yes (Adopted 12/2/68)

10- General Non Union: Closed to new hires

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	8 years	8 years
Early Retirement (Unreduced):	50/25	50/25
Early Retirement (Reduced):	50/15	50/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	0%	0%
DC Plan for New Hires:	7/1/1998	7/1/1998
Act 88:	Yes (Adopted 12/2/68)	Yes (Adopted 12/2/68)

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Benefit Provisions

20 - Police Supervisor: Closed to new hires

	2014 Valuation	2013 Valuation
Benefit Multiplier:	3.2% Multiplier (80% max)	3.2% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	25 and out	25 and out
Early Retirement (Reduced):	50/15	50/15
Final Average Compensation:	5 years	5 years
COLA for Current Retirees:	2.50% (Non-Compound)	2.50% (Non-Compound)
Employee Contributions:	0%	0%
DC Plan for New Hires:	7/1/1999	7/1/1999
Act 88:	Yes (Adopted 12/2/68)	Yes (Adopted 12/2/68)

11 - Dispatchers: Closed to new hires

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	8 years	8 years
Early Retirement (Unreduced):	50/25	50/25
Early Retirement (Reduced):	55/15	55/15
Final Average Compensation:	5 years	5 years
COLA for Current Retirees:	2.50% (Non-Compound)	2.50% (Non-Compound)
Employee Contributions:	0%	0%
DC Plan for New Hires:	7/1/1998	7/1/1998
Act 88:	Yes (Adopted 12/2/68)	Yes (Adopted 12/2/68)

10- Gnri-Dept Heads: Closed to new hires, linked to Division HA

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.8% Multiplier (80% max)	2.8% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	25 and out	25 and out
Early Retirement (Reduced):	55/15	55/15
Final Average Compensation:	3 years	3 years
COLA for Future Retirees:	2.50% (Non-Compound)	2.50% (Non-Compound)
COLA for Current Retirees:	2.50% (Non-Compound)	2.50% (Non-Compound)
Employee Contributions:	7%	7%
Act 88:	Yes (Adopted 12/2/68)	Yes (Adopted 12/2/68)



CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Employees Covered by Benefit Terms

At the December 31, 2016 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently Receiving benefits	57
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>0</u>
Total employees covered by MERS	<u><u>63</u></u>

Contributions

The State of Michigan Constitution, Article 9, Section 24, requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Since the plan is closed to new members the City is required to make contributions in "flat amounts". During the year the City made required contributions of \$1,377,112 and a voluntary contribution of \$150,000.

Net Pension Liability

The net pension liability reported at June 30, 2017 was determined using a measure of the total pension liability and the pension net position as of December 31, 2016. The December 31, 2016 total pension liability was determined by an actuarial valuation performed as of that date.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Changes in the net pension liability during the measurement year were as follows:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2015	\$ <u>16,267,607</u>	\$ <u>7,803,099</u>	\$ <u>8,464,508</u>
Service Cost	-	-	-
Interest	1,241,442	-	1,241,442
Contributions-Employer	-	1,324,818	(1,324,818)
Contributions-Employee	-	-	-
Net Investment Income	-	874,780	(874,780)
Differences between expected and actual experience	159,894	-	159,894
Benefit Payments, including refunds	(1,499,120)	(1,499,120)	-
Administrative Expenses	-	(17,267)	17,267
Net Changes	<u>(97,784)</u>	<u>683,211</u>	<u>(780,995)</u>
Balance at December 31, 2016	\$ <u>16,169,823</u>	\$ <u>8,486,310</u>	\$ <u>7,683,513</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Source</u>	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 299,151
Change in Assumptions	595,458
Employer contributions to the plan subsequent to the measurement date	<u>837,409</u>
Total	<u>\$ 1,136,560</u>

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$837,409), which will impact the net pension liability in fiscal year 2018, rather than pension expense.

Years Ending	Amount
<u>June 30</u>	<u>        </u>
2018	\$ 225,128
2019	225,128
2020	198,263
2021	47,604
2022	99,243
2023	99,243

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3-4%	
Salary increases	4-5%	In the long term, 1 percent, 2 percent, and 3 percent for Calendar year 2015, and 2016, respectively, including inflation.
Investment rate of return	8.00%	Gross of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

A. Defined Benefit Pension Plan – Continued

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2016, the measurement date, for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	58%	5.0%
Global fixed income	20%	2.2%
Real assets	12%	4.2%
Diversifying strategies	10%	6.6%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 8.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent) or one percentage point higher (9.00 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability of the City	\$ 9,073,899	\$ 7,683,513	\$ 6,481,227

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – continued

B. Defined Contribution Plan

Plan Description

The City of Plymouth contributes to the City of Plymouth defined contribution plan, which is a defined contribution money purchase pension plan. The plan is administered by the ICMA Retirement Corporation (ICMA) who sponsors the prototype plan. Amendments are developed by ICMA and submitted to the City Commission for approval.

A defined contribution money purchase pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. All employees hired on or after March 31, 1999 are eligible to participate in the plan. Contributions made by the City vest after five years; employee contributions vest immediately.

Contributions Required and Contributions Made

The City contributes 15% of gross pay for each eligible employee. During the year, the City's required and actual contributions amounted to \$492,129.

C. Post Retirement Health Care Benefits

Plan Description – The City provides retiree healthcare benefits to eligible employees upon retirement in accordance with labor contracts. Currently, fifty-six retired employees receive this benefit. At the fund level, the expense is recognized by the City as the payments to the employees are made. During the year, this amounted to \$641,891.

Funding Policy – The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a “pay-as-you-go” basis). The City has made no contributions in advance.

Funding Progress – For the year ended June 30, 2017, the City has estimated the cost of providing retiree healthcare benefits through an actuarial study that complies with the requirements of GASB 45. The study computes an annual required contribution that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

C. Post Retirement Health Care Benefits

The computed contribution and actual funding are summarized as follows:

Annual Required Contribution (recommended)	\$	926,180
Interest on the prior year's net OPEB obligation		139,479
Less adjustment to the annual required contribution		-
Annual OPEB Cost		1,065,659
Amounts Contributed:		
Payments of current premiums		(641,891)
Advance funding		-
Increase(Decrease) in net OPEB obligation		423,768
OPEB obligation - Beginning of Year		3,044,880
OPEB obligation - End of Year		\$ 3,468,648

<u>Fiscal Year</u> <u>Ended</u>	<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Annual</u> <u>OPEB Costs</u>	<u>Percentage</u> <u>OPEB Costs</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2015	7/1/2015	\$ 926,180	\$ 1,060,351	57%	\$ 423,768
6/30/2016	7/1/2015	\$ 926,180	\$ 1,063,566	49%	\$3,044,880
6/30/2017	7/1/2015	\$ 926,180	\$ 1,065,659	60%	\$3,468,648

Valuation as of:	<u>July 1, 2015</u>
Actuarial Value of Assets	\$ -
Actuarial Accrued Liability	12,656,374
Unfunded AAL	12,656,374
Funded Ratio	0.00%

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

D. Risk Management

The City purchases insurance coverage through traditional means. The City's property and liability and workers compensation coverages are on file in the Risk Manager's office.

The City has contracted with Blue Cross and Blue Shield of Michigan to administer a self-funded health insurance program. Under the plan, the City pays a fixed administrative and reinsurance fee, and self-insures claims within plan limits. The plan has a \$60,000 specific stop-loss limit per insured (contract) per plan year (October 1 to September 30).

Claims in excess of the individual stop-loss or aggregate stop-loss limits are covered under the reinsurance coverage. Individual contracts are limited to \$5,000,000 per person per contract (lifetime). Commencing January 1, 2011 all lifetime limitations have been removed.

Changes in the balance of claim liability during the past year are as follows:

Unpaid claims at beginning of year	\$ 671,415
Incurred claims (including IBNRs)	1,047,040
Claims Paid	<u>(1,339,405)</u>
Unpaid claims, at end of year	<u>\$ 379,050</u>

E. Contingencies

1. Termination of Participation in Plymouth Community Fire and Dispatch

On October 4, 2010, the City Commission approved a resolution which notified Plymouth Township of the City's intention to terminate participation in the joint service agreements, and since that date, the City and Township representatives have had ongoing discussions regarding termination costs which may be assessed against the City. The Township has recently presented the City with their calculations of the termination costs, mostly related to retirement benefits.

The City doesn't agree with the approach or methodologies used to calculate these values, and is in the process of engaging professionals to perform independent calculations of the amounts due, if any, on the termination. City officials are not able to project a range of costs if any that may be due, and as such no provisions for the City's potential liability if any are reflected in these statements.

CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

E. Contingencies – Continued

2. Landfill Closure

The City of Plymouth owns a Solid Waste Landfill located in Salem Township. The landfill was closed and capped during the 1960's to meet the standards and requirements of that time period.

Since that time, post closure monitoring of the Landfill by the City and the Michigan Department of Natural Resources have identified problems with the deterioration of the clay cap and blockage of a storm drain that runs through the landfill. The City received a \$600,000 grant award to partially finance the costs of installing additional ventilation wells in the landfill and grouting out the 30 inch drainage pipe that runs through the landfill. In addition to this Landfill Closure DNR grant, the City borrowed \$750,000 to finance the total projected project costs of \$1,350,000.

During the procedure to eliminate the blockage to the drainage pipe, it was noted that the pipe had settled in certain sections making the grouting of the pipe impossible. The City and the DNR agreed upon a solution to route a storm sewer around the perimeter of the landfill. The project was completed in 1996 and the City was granted certification from the DNR.

The cumulative landfill closure costs incurred through June 30, 2017, amounts to \$2,286,217 reported within the Solid Waste (Special Revenue) Fund. Additionally cumulative interest expenditures of \$165,995 relating to the landfill closure loan through June 30, 2017, have been reflected in the Solid Waste Fund. The landfill closure obligation is considered to be satisfied at June 30, 2017. However, the City has the responsibility of monitoring the landfill site in the future and the potential for unforeseen closure costs could materialize. In the opinion of City Management the liability, if any, would not be significant.

3. Sale of Tax Reverted Property

On October 1, 2007, the City closed (sale completed) on the property known as the "Bathey Property", and received total consideration of \$2,270,000. The proceeds were deposited into an interest bearing escrow account (under the City's control) pending distribution to the other taxing authorities. It is the City's position that they are permitted to recover costs (actual and estimated) incurred to secure and maintain the property, and legal and other costs associated with the lengthy process of obtaining title. The City distributed the net proceeds to the taxing authorities (including the City of Plymouth) in October of 2009. The financial statements contain no provision for the amount, if any, which may be due to the other taxing authorities in the event that they presented a legal challenge to the City's distributions of these proceeds.



CITY OF PLYMOUTH  
Notes to Financial Statements  
June 30, 2017

IV. OTHER INFORMATION – Continued

F. Contingencies – Continued

4. Other Matters

There are various other legal actions pending against the City. Due to the inconclusive nature of many of the actions, it is not possible to determine the probable outcome or a reasonable estimate of the City's potential liability, if any.

G. Upcoming Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued two new pronouncements in June 2015, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will enhance the note disclosures and schedules of required supplementary information for Other Postemployment Benefit Plans (OPEB). GASB Statement No. 74 addresses reporting by OPEB plans whereas GASB Statement No. 75, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statements more extensive note disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the City will, after adoption of the GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The City is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016 and GASB Statement No. 75 is effective for fiscal years beginning after June 15, 2017.



REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF PLYMOUTH**  
**Required Supplemental Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:			
Service Cost	\$ -	\$ 6,213	\$ 6,541
Interest	1,241,442	1,237,027	620,584
Change in Assumptions	-	793,944	-
Difference between expected and actual experience	159,894	(151,532)	-
Other Changes	-	-	642,952
Benefit payments, including refunds	<u>(1,499,120)</u>	<u>(1,480,828)</u>	<u>(1,459,239)</u>
Net Change in Total Pension Liability	(97,784)	404,824	(189,162)
Total Pension Liability, Beginning of year	<u>16,267,607</u>	<u>15,862,783</u>	<u>16,051,945</u>
Total Pension Liability, End of year	<u>\$ 16,169,823</u>	<u>\$ 16,267,607</u>	<u>\$ 15,862,783</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 1,324,818	\$ 1,444,796	\$ 1,423,876
Contributions - Employee	-	-	-
Net Investment Income	874,780	(117,516)	468,230
Administrative Expenses	(17,267)	(17,213)	(17,309)
Benefit payments, including refunds	<u>(1,499,120)</u>	<u>(1,480,828)</u>	<u>(1,459,239)</u>
Net Change in Plan Fiduciary Net Position	683,211	(170,761)	415,558
Plan Fiduciary Net Position, Beginning of year	<u>7,803,099</u>	<u>7,973,860</u>	<u>7,558,302</u>
Plan Fiduciary Net Position, End of year	<u>\$ 8,486,310</u>	<u>\$ 7,803,099</u>	<u>\$ 7,973,860</u>
City's Net Pension Liability - Ending	<u>\$ 7,683,513</u>	<u>\$ 8,464,508</u>	<u>\$ 7,888,923</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	52.5%	48.0%	50.3%
Covered Employee Payroll	\$ -	\$ 63,988	\$ 67,366
City's Net Pension Liability as a Percent of Covered Employee Payroll	0%	13228%	11711%



**CITY OF PLYMOUTH**  
**Required Supplemental Information**  
**Schedule of City Pension Contributions-MERS**  
**Last Ten Fiscal Years**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 1,365,298	\$ 1,377,112	\$ 1,105,528	\$ 943,224	\$ 812,726	\$ 727,189	\$ 664,032	\$ 569,483	\$ 525,108	\$ 492,164
Contributions in relation to the actuarially determined contribution	\$ 1,365,298	\$ 1,527,112	\$ 1,105,528	\$ 943,224	\$ 812,726	\$ 727,189	\$ 664,032	\$ 569,483	\$ 525,108	\$ 492,164
Contribution Deficiency (Additional)	\$ -	\$ (150,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ 63,988	\$ 161,704	\$ 156,984	\$ 161,326	\$ 245,093	\$ 241,710	\$ 255,329	\$ 380,377	\$ 408,626
Contributions as a Percentage of Covered Employee Payroll	0.0%	2386.6%	683.7%	600.8%	503.8%	296.7%	274.7%	223.0%	138.0%	120.4%

Actuarial valuation information relative to the determination of contributions:  
Actuarially determined contribution rates are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:  
Actuarial Cost Method Entry age normal cost

Amortization Method Level percent

Remaining Amortization Period 30 years

Asset Valuation Method 5-year smoothed market

Inflation 2.50%

Projected Salary Increases 3.75% including inflation

Investment Rate of Return 7.75%

Retirement Age Experience based tables of rates that are specific to the type of eligibility condition.

Mortality 50% Male - 50% Female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables





**CITY OF PLYMOUTH**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2017**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Property Taxes	\$ 5,240,350	\$ 5,257,570	\$ 5,253,413	\$ (4,157)
Licenses and Permits	5,100	5,100	3,472	(1,628)
Intergovernmental - State	876,470	886,120	892,971	6,851
Intergovernmental - Federal	1,000	-	-	-
Charges for Services	991,130	1,005,690	997,268	(8,422)
Fines and Forfeitures	40,500	28,000	37,552	9,552
Interest Earnings	500	50	34	(16)
Other Revenues	734,780	669,060	849,349	180,289
Total Revenues	<u>7,889,830</u>	<u>7,851,590</u>	<u>8,034,059</u>	<u>182,469</u>
<b>Expenditures:</b>				
General Government:				
City Commission	73,690	96,990	76,079	20,911
City Manager	355,560	335,460	316,436	19,024
Attorney	139,800	139,800	128,848	10,952
Finance	592,830	497,780	489,600	8,180
Clerk/Elections	220,810	229,070	218,285	10,785
Management Information Services	246,730	237,160	236,829	331
Cemetery	154,190	157,900	124,577	33,323
Total	<u>1,783,610</u>	<u>1,694,160</u>	<u>1,590,654</u>	<u>103,506</u>
Public Safety:				
Police	3,567,120	3,857,106	3,856,491	615
Fire	923,740	1,009,440	995,685	13,755
Total	<u>4,490,860</u>	<u>4,866,546</u>	<u>4,852,176</u>	<u>14,370</u>
Public Works:				
Municipal Services Administration	204,360	219,420	169,083	50,337
City Hall Maintenance	86,900	106,620	104,629	1,991
Parks and Public Property	168,500	182,330	156,405	25,925
Municipal Services Yard Maintenance	60,400	64,300	45,572	18,728
Street Services	190,000	178,000	158,305	19,695
Miscellaneous MSD Services	4,740	3,710	823	2,887
Special Events	161,230	145,610	107,139	38,471
Parking	42,680	51,450	39,989	11,461
MSD Services--DDA	91,990	141,310	135,486	5,824
Total	<u>1,010,800</u>	<u>1,092,750</u>	<u>917,431</u>	<u>175,319</u>
Other	218,834	217,080	196,605	20,475
Capital Outlay	216,600	147,700	147,534	166
Total Expenditures	<u>7,720,704</u>	<u>8,018,236</u>	<u>7,704,400</u>	<u>313,836</u>
Excess (Deficiency) of Revenues Over Expenditures	169,126	(166,646)	329,659	496,305
<b>Other Financing Sources (Uses):</b>				
Operating Transfers Out	(304,006)	(331,960)	(331,941)	19
Total Other Financing Sources (Uses)	<u>(304,006)</u>	<u>(331,960)</u>	<u>(331,941)</u>	<u>19</u>
Net Change in Fund Balance	(134,880)	(498,606)	(2,282)	496,324
Fund Balance - Beginning	1,395,877	1,395,877	1,395,877	-
Fund Balance - Ending	<u>\$ 1,260,997</u>	<u>\$ 897,271</u>	<u>\$ 1,393,595</u>	<u>\$ 496,324</u>



OTHER SUPPLEMENTARY INFORMATION

**CITY OF PLYMOUTH**  
**Combining Balance Sheet**  
**Non Major Governmental Funds**  
**June 30, 2017**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Funds Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 3,245,257	\$ 6,107	\$ 276,111	\$ 507,757	\$ 4,035,232
Investments	-	-	-	55,594	55,594
Accounts Receivable	111,445	-	-	-	111,445
Due from Other Governmental Units	206,430	-	-	2,850	209,280
Inventory	67,763	-	-	-	67,763
Total Assets	<u>\$ 3,630,895</u>	<u>\$ 6,107</u>	<u>\$ 276,111</u>	<u>\$ 566,201</u>	<u>\$ 4,479,314</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Accounts Payable	\$ 152,443	\$ -	\$ 50,860	\$ -	\$ 203,303
Accrued and Other Liabilities	34,520	-	-	-	34,520
Total Liabilities	<u>186,963</u>	<u>-</u>	<u>50,860</u>	<u>-</u>	<u>237,823</u>
Fund Balance:					
Non Spendable-Inventory	67,763	-	-	-	67,763
Restricted	3,284,793	6,107	225,251	566,201	4,082,352
Committed	91,376	-	-	-	91,376
Total Fund Balance	<u>3,443,932</u>	<u>6,107</u>	<u>225,251</u>	<u>566,201</u>	<u>4,241,491</u>
Total Liabilities and Fund Balance	<u>\$ 3,630,895</u>	<u>\$ 6,107</u>	<u>\$ 276,111</u>	<u>\$ 566,201</u>	<u>\$ 4,479,314</u>

**CITY OF PLYMOUTH**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non Major Governmental Funds**  
**For the Year Ended June 30, 2017**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent Funds Cemetery Care</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>					
Property Taxes	\$ 803,578	\$ 1,339,440	\$ -	\$ -	\$ 2,143,018
Licenses and Permits	602,131	-	-	-	602,131
Intergovernmental	678,202	-	32,850	-	711,052
Charges for Services	1,368,406	-	-	17,875	1,386,281
Interest	-	530	1,209	-	1,739
Other	12,748	-	21,098	2,552	36,398
Total Revenues	<u>3,465,065</u>	<u>1,339,970</u>	<u>55,157</u>	<u>20,427</u>	<u>4,880,619</u>
<b>Expenditures:</b>					
Public Safety	588,739	-	-	-	588,739
Public Works	1,540,825	-	-	-	1,540,825
Recreation and Cultural	1,282,913	-	-	-	1,282,913
Debt Service:					
Principal	-	1,450,000	-	-	1,450,000
Interest and Other Charges	-	268,149	-	-	268,149
Capital Outlay	-	-	1,104,159	-	1,104,159
Total Expenditures	<u>3,412,477</u>	<u>1,718,149</u>	<u>1,104,159</u>	<u>-</u>	<u>6,234,785</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>52,588</u>	<u>(378,179)</u>	<u>(1,049,002)</u>	<u>20,427</u>	<u>(1,354,166)</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	363,460	141,931	4,000	-	509,391
Operating Transfers In-Component Unit	-	233,000	-	-	233,000
Operating Transfers Out	(152,870)	-	-	-	(152,870)
Operating Transfers Out-Component Unit	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>210,590</u>	<u>374,931</u>	<u>4,000</u>	<u>-</u>	<u>589,521</u>
Net Change in Fund Balances	263,178	(3,248)	(1,045,002)	20,427	(764,645)
Fund Balance, July 1	<u>3,180,754</u>	<u>9,355</u>	<u>1,270,253</u>	<u>545,774</u>	<u>5,006,136</u>
Fund Balance, June 30	<u>\$ 3,443,932</u>	<u>\$ 6,107</u>	<u>\$ 225,251</u>	<u>\$ 566,201</u>	<u>\$ 4,241,491</u>

**CITY OF PLYMOUTH**  
**Non Major Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2017**

	<u>Major Street</u>	<u>Local Street</u>	<u>Recreation</u>	<u>PARC</u>	<u>Solid Waste</u>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 1,244,999	\$ 696,061	\$ 108,094	\$ 8,863	\$ 695,676
Accounts Receivable	-	-	1,151	-	100,801
Due From Other Governmental Units	131,456	53,156	11,177	780	541
Inventory	<u>34,336</u>	<u>28,181</u>	<u>2,823</u>	<u>-</u>	<u>2,423</u>
Total Assets	<u>\$ 1,410,791</u>	<u>\$ 777,398</u>	<u>\$ 123,245</u>	<u>\$ 9,643</u>	<u>\$ 799,441</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Accounts Payable	\$ 5,493	\$ 5,014	\$ 14,334	\$ -	\$ 76,767
Accrued and Other Liabilities	<u>533</u>	<u>577</u>	<u>4,867</u>	<u>-</u>	<u>3,527</u>
Total Liabilities	<u>6,026</u>	<u>5,591</u>	<u>19,201</u>	<u>-</u>	<u>80,294</u>
Fund Balance:					
Non Spendable-Inventory	34,336	28,181	2,823	-	2,423
Restricted	1,370,429	743,626	101,221	9,643	716,724
Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>1,404,765</u>	<u>771,807</u>	<u>104,044</u>	<u>9,643</u>	<u>719,147</u>
Total Liabilities and Fund Balance	<u>\$ 1,410,791</u>	<u>\$ 777,398</u>	<u>\$ 123,245</u>	<u>\$ 9,643</u>	<u>\$ 799,441</u>

<u>Parking</u>	<u>Neighborhood Services</u>	<u>Drug Enforcement</u>	<u>Building</u>	<u>OVI Forfeiture</u>	<u>Omnibus Forfeiture</u>	<u>Total</u>
\$ 91,376	\$ 20,472	\$ 4,997	\$ 330,542	\$ 39,615	\$ 4,562	\$ 3,245,257
-	8,960	-	533	-	-	111,445
-	4,345	-	4,975	-	-	206,430
-	-	-	-	-	-	67,763
<u>\$ 91,376</u>	<u>\$ 33,777</u>	<u>\$ 4,997</u>	<u>\$ 336,050</u>	<u>\$ 39,615</u>	<u>\$ 4,562</u>	<u>\$ 3,630,895</u>
\$ -	\$ 32,882	\$ 2,000	\$ 15,590	\$ 363	\$ -	\$ 152,443
-	-	-	25,016	-	-	34,520
-	<u>32,882</u>	<u>2,000</u>	<u>40,606</u>	<u>363</u>	-	<u>186,963</u>
-	-	-	-	-	-	67,763
-	895	2,997	295,444	39,252	4,562	3,284,793
91,376	-	-	-	-	-	91,376
<u>91,376</u>	<u>895</u>	<u>2,997</u>	<u>295,444</u>	<u>39,252</u>	<u>4,562</u>	<u>3,443,932</u>
<u>\$ 91,376</u>	<u>\$ 33,777</u>	<u>\$ 4,997</u>	<u>\$ 336,050</u>	<u>\$ 39,615</u>	<u>\$ 4,562</u>	<u>\$ 3,630,895</u>

**CITY OF PLYMOUTH**  
**Non Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2017**

	<u>Major Street</u>	<u>Local Street</u>	<u>Recreation Fund</u>	<u>PARC</u>	<u>Solid Waste</u>
<b>Revenues:</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 803,578
Licenses and Permits	-	-	-	-	-
Intergovernmental	460,980	185,312	-	-	-
Charges for Services	-	-	905,182	65,602	369,066
Other	-	5,423	-	-	1,332
Total Revenues	<u>460,980</u>	<u>190,735</u>	<u>905,182</u>	<u>65,602</u>	<u>1,173,976</u>
<b>Expenditures:</b>					
Public Safety	-	-	-	-	-
Public Works	199,613	174,310	-	-	1,166,902
Recreation and Cultural	-	-	1,129,534	66,816	-
Total Expenditures	<u>199,613</u>	<u>174,310</u>	<u>1,129,534</u>	<u>66,816</u>	<u>1,166,902</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>261,367</u>	<u>16,425</u>	<u>(224,352)</u>	<u>(1,214)</u>	<u>7,074</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	-	112,000	200,000	-	-
Operating Transfers Out	(112,000)	-	(22,430)	-	(12,290)
Total Other Financing Sources (Uses)	<u>(112,000)</u>	<u>112,000</u>	<u>177,570</u>	<u>-</u>	<u>(12,290)</u>
Net Change in Fund Balance	149,367	128,425	(46,782)	(1,214)	(5,216)
Fund Balance, July 1	<u>1,255,398</u>	<u>643,382</u>	<u>150,826</u>	<u>10,857</u>	<u>724,363</u>
Fund Balance, June 30	<u>\$ 1,404,765</u>	<u>\$ 771,807</u>	<u>\$ 104,044</u>	<u>\$ 9,643</u>	<u>\$ 719,147</u>



<u>Parking</u>	<u>Neighborhood Services</u>	<u>Drug Enforcement</u>	<u>Building</u>	<u>OVI Forfeiture</u>	<u>Omnibus Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 803,578
-	-	-	602,131	-	-	602,131
-	20,890	-	11,020	-	-	678,202
-	-	24	25,627	2,905	-	1,368,406
-	-	2,436	1,411	2,146	-	12,748
-	20,890	2,460	640,189	5,051	-	3,465,065
-	-	5,409	578,818	3,553	959	588,739
-	-	-	-	-	-	1,540,825
-	86,563	-	-	-	-	1,282,913
-	86,563	5,409	578,818	3,553	959	3,412,477
-	(65,673)	(2,949)	61,371	1,498	(959)	52,588
-	51,460	-	-	-	-	363,460
-	-	-	(6,150)	-	-	(152,870)
-	51,460	-	(6,150)	-	-	210,590
-	(14,213)	(2,949)	55,221	1,498	(959)	263,178
91,376	15,108	5,946	240,223	37,754	5,521	3,180,754
<u>\$ 91,376</u>	<u>\$ 895</u>	<u>\$ 2,997</u>	<u>\$ 295,444</u>	<u>\$ 39,252</u>	<u>\$ 4,562</u>	<u>\$ 3,443,932</u>

**CITY OF PLYMOUTH**  
**Non Major Debt Service Funds**  
**Combining Balance Sheet**  
**June 30, 2017**

	<u>2006</u> <u>L.T.G.O.</u> <u>Debt</u>	<u>2008</u> <u>General</u> <u>Obligation</u>	<u>2010</u> <u>L.T.G.O.</u> <u>Debt</u>	<u>2012</u> <u>Refunding</u> <u>GO Debt</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ -	\$ 2,276	\$ 792	\$ 1,639
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Restricted - Debt Service	-	2,276	792	1,639
Total Liabilities and Fund Balance	\$ -	\$ 2,276	\$ 792	\$ 1,639

<b>2014 Refunding GO Debt</b>	<b>Total</b>
\$ <u>1,400</u>	\$ <u>6,107</u>
\$ -	\$ -
<u>1,400</u>	<u>6,107</u>
\$ <u><u>1,400</u></u>	\$ <u><u>6,107</u></u>

**CITY OF PLYMOUTH**  
**Non Major Debt Service Funds**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2017

	<u>2006</u> <u>L.T.G.O.</u> <u>Debt</u>	<u>2008</u> <u>General</u> <u>Obligation</u>	<u>2010</u> <u>L.T.G.O.</u> <u>Debt</u>	<u>2012</u> <u>Refunding</u> <u>GO Debt</u>
<b>Revenues:</b>				
Property Taxes	\$ -	\$ 361,465	\$ -	\$ 571,669
Interest Income	-	129	-	228
Total Revenues	<u>-</u>	<u>361,594</u>	<u>-</u>	<u>571,897</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	120,000	285,000	225,000	430,000
Interest and Fiscal Charges	<u>2,700</u>	<u>81,867</u>	<u>8,038</u>	<u>151,150</u>
Total Expenses	<u>122,700</u>	<u>366,867</u>	<u>233,038</u>	<u>581,150</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(122,700)</u>	<u>(5,273)</u>	<u>(233,038)</u>	<u>(9,253)</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	121,931	5,000	-	8,000
Operating Transfers In-Component Unit (DDA)	-	-	233,000	-
Total Other Financing Sources (Uses)	<u>121,931</u>	<u>5,000</u>	<u>233,000</u>	<u>8,000</u>
Net Change in Fund Balance	(769)	(273)	(38)	(1,253)
Fund Balance, July 1	<u>769</u>	<u>2,549</u>	<u>830</u>	<u>2,892</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 2,276</u>	<u>\$ 792</u>	<u>\$ 1,639</u>

<b>2014 Refunding GO Debt</b>	<b>Total</b>
\$ 406,306	\$ 1,339,440
<u>173</u>	<u>530</u>
<u>406,479</u>	<u>1,339,970</u>
390,000	1,450,000
<u>24,394</u>	<u>268,149</u>
<u>414,394</u>	<u>1,718,149</u>
<u>(7,915)</u>	<u>(378,179)</u>
7,000	141,931
<u>-</u>	<u>233,000</u>
<u>7,000</u>	<u>374,931</u>
(915)	(3,248)
<u>2,315</u>	<u>9,355</u>
\$ <u><u>1,400</u></u>	\$ <u><u>6,107</u></u>



**CITY OF PLYMOUTH**  
**Non Major Capital Project Funds**  
**Combining Balance Sheet**  
**For the Year Ended June 30, 2017**

	<u>Recreation Capital Improvement</u>	<u>Public Improvement</u>	<u>2012 G.O. Capital Improvement</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 51,199	\$ 22,556	\$ 202,356	\$ 276,111
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts Payable	\$ 13,164	\$ -	\$ 37,696	\$ 50,860
Fund Balance:				
Restricted - Construction	38,035	22,556	164,660	225,251
Total Liabilities and Fund Balance	\$ 51,199	\$ 22,556	\$ 202,356	\$ 276,111

**CITY OF PLYMOUTH**  
**Non Major Capital Project Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**For the Year Ended June 30, 2017**

	<u>Recreation Capital Improvement</u>	<u>Public Improvement</u>	<u>2012 G.O. Capital Improvement</u>	<u>Total</u>
<b><u>Revenues:</u></b>				
Intergovernmental	\$ 32,850	\$ -	\$ -	\$ 32,850
Interest	-	-	1,209	1,209
Other	9,985	-	11,113	21,098
Total Revenues	42,835	-	12,322	55,157
<b><u>Expenditures:</u></b>				
Construction	56,755	-	1,047,404	1,104,159
Excess (Deficiency) of Revenues Over Expenditures	(13,920)	-	(1,035,082)	(1,049,002)
<b><u>Other Financing Sources:</u></b>				
Operating Transfers In	4,000	-	-	4,000
Total Other Financing Sources	4,000	-	-	4,000
Net Change in Fund Balance	(9,920)	-	(1,035,082)	(1,045,002)
Fund Balance - July 1	47,955	22,556	1,199,742	1,270,253
Fund Balance - June 30	\$ 38,035	\$ 22,556	\$ 164,660	\$ 225,251

